

NASA LaRC Exchange 2003 Annual Report





LaRC Exchange Operations

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LaRC Exchange Operations Overview

Mission & Vision



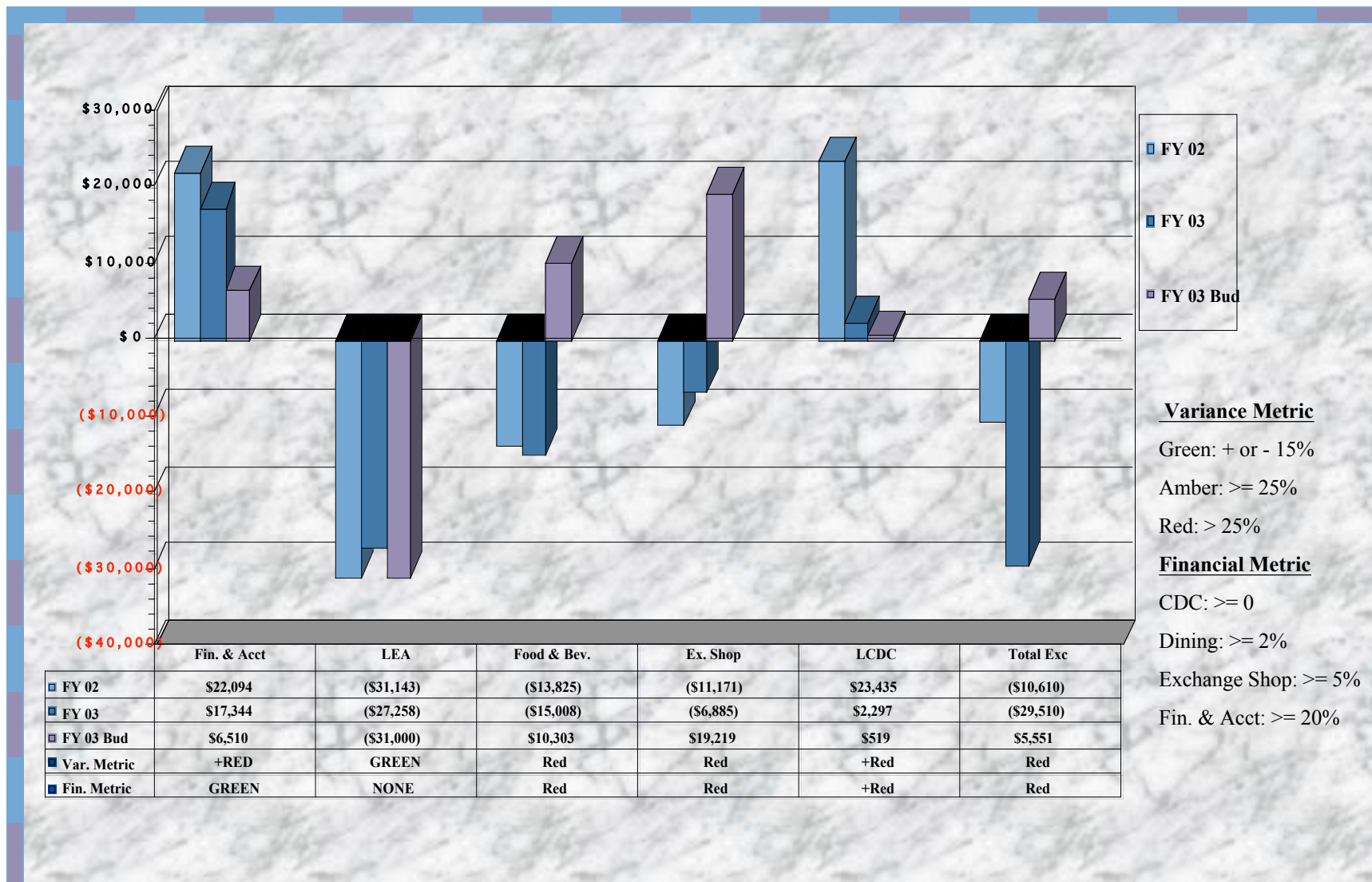
- The Exchange Mission is to provide products, services, and activities that promote and enhance the well-being of the LaRC Community.
- Vision: A customer-focused team providing “first choice” quality of life programs and services for the LaRC community.
- Your First Choice--Langley Exchange



LaRC EXCHANGE OPERATIONS

FINANCIAL RESULTS

SEPTEMBER FY 03





LaRC EXCHANGE OPERATIONS

FY 03 Financial Statement



<u>Revenues</u>				Income (loss) From Operations	\$	(60,882)
Sales			\$ 1,829,678			
Cost of Sales			\$ 645,077	<u>Other Revenues (Expenses)</u>		
Childcare Fees				Miscellaneous Income	\$	5,824
Snacks vending				CFC Contributions	\$	3,763
Drinks vending				Interest and Dividends Income	\$	9,991
				USDA Lunch Program Income	\$	14,254
<u>Gross Profit</u>			\$ 1,184,671	Realized and Unrealized Gains / (losses)	\$	(652)
<u>Operating Expenses</u>				<u>Total Other Revenues (expenses)</u>	\$	33,180
Bonuses			\$ 484			
Directors Fund			\$ 1,071	<u>Increase (Decrease) in Unrestricted</u>	\$	(27,702)
Employee Benefits			\$ 2,464	<u>Net Assets before Extraordinary Item</u>		
Food Supplies			\$ 30,562			
Insurance, Liability			\$ 37,300	<u>Extraordinary Item</u>	\$	(1,808)
Insurance, Group			\$ 61,544			
Linen and Laundry			\$ 4,162	<u>Net Income</u>	\$	(29,510)
Miscellaneous			\$ 5,241			
NASA Morale			\$ 4,833	<u>Net Assets</u>		
Office Supplies			\$ 12,595	Beginning of Year	\$	586,789
Randolph Sheppard Act			\$ 13,066	End of Year	\$	557,259
Repairs and Maint.			\$ 242			
Salaries, Wages			\$ 1,025,968			
Supplies			\$ 10,744			
Thrift 401K			\$ 3,630			
Training/Tuition			\$ 2,806			
Travel			\$ 2,835			
Depreciation			\$ 26,006			
<u>Total Operating Expenses</u>			\$ 1,245,553			



LaRC EXCHANGE OPERATIONS

Cash Flow FYO2 & 03



	2003	2002
Change in net assets	\$ (29,510)	\$ (10,610)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	\$ 26,006	\$ 28,325
Realized and unrealized loss (gain) on investment:	\$ 652	\$ (450)
Accounts receivable	\$ (28,458)	\$ 5,070
Inventories	\$ (324)	\$ 8,910
Prepaid expenses	\$ (93)	\$ 7,639
Accounts payable	\$ 32,004	\$ 10,298
Accrued expenses	\$ 5,894	\$ (1,233)
Unearned revenue	\$ (2,945)	\$ 8,448
Security deposits	\$ 1,915	\$ 2,905
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ 5,141	\$ 53,492
CASH FLOW FROM INVESTING ACTIVITIES		
Proceeds from maturities of investments	\$ 20,000	\$ 74,639
Purchase of investments	\$ (1,086)	\$ (12,259)
NET CASH PROVIDED BY INVESTING ACTIVITIES	\$ 18,914	\$ 62,380
Cash Flow from Financial Activities		
Bank overdraft		\$ (2,471)
Increase in Cash and Cash equivalents	\$ 24,055	\$ 113,401
CASH AND CASH EQUIVALENTS		
Beginning of year	\$ 267,655	\$ 154,254
End of year	\$ 291,710	\$ 267,655



LaRC Exchange Operations Overview Accomplishments and Future Plans



- A New network based Employee Handbook was completed and posted in April 2003.
- New Awards and Recognition Program brochure developed published to employees.
- A New tax exempted 401K retirement plan establish in November 2003.
- Peachtree Accounting upgraded to Windows network based financial management system.
- Customer Recovery Program established with feedback system.
- Investment policy developed for the Exchange.
- EAP and Health Clinic support to Exchange becomes effective 1 January 2004.
- Revamp Strategic Plan to incorporate One NASA and Exchange Objectives.



LaRC EXCHANGE

Fiscal Year 2004

Operating Plan



Revenues						Consol. Exchange
	Fin & ACCT	CDC	Food & Bev	Exc. Shop	LEA/Fitness	Total
Sales Revenues			\$ 821,987.00	\$ 329,753.00		\$ 1,151,740.00
COGS	\$ -		\$ 388,272.00	\$ 237,332.00		\$ 625,604.00
Gross Inc from Sales	\$ -		\$ 433,715.00	\$ 92,421.00		\$ 526,136.00
Other Income	\$ 94,650.00	\$ 663,755.00			\$ 23,598.00	\$ 782,003.00
Gross Income	\$ 94,650.00	\$ 663,755.00	\$ 433,715.00	\$ 92,421.00	\$ 23,598.00	\$ 1,308,139.00
Expenses						
Labor	\$ 45,100.00	\$ 557,859.00	\$ 367,400.00	\$ 61,973.00		\$ 1,032,332.00
Operating Expenses	\$ 32,289.00	\$ 98,528.00	\$ 64,284.00	\$ 23,509.00	\$ 15,880.00	\$ 234,490.00
Total Expenses	\$ 78,389.00	\$ 656,387.00	\$ 431,684.00	\$ 85,482.00	\$ 15,880.00	\$ 1,267,822.00
Net Income(loss)Before Dep.	\$ 16,261.00	\$ 7,368.00	\$ 2,031.00	\$ 6,939.00	\$ 7,718.00	\$ 40,317.00
Depreciation	\$ -	\$ 6,996.00	\$ 516.00	\$ -	\$ 23,844.00	\$ 31,356.00
Net Income(loss)	\$ 16,261.00	\$ 372.00	\$ 1,515.00	\$ 6,939.00	\$ (16,126.00)	\$ 8,961.00
	17%	0%	0%	2%	-68%	1%

Vending income reduced slightly due to building closers.

Randolph-Sheppard Expenses increases anticipated with consolidation of LaRC buildings

Food and Beverage Sales and Cost of Goods impacted by Aerodyner closer and construction between July and September. Labor reduced due to closer.

Exchange Shop to relocate to Room 140 during renovation with no anticipated major impact.

\$40,317 in cash available for capital investments.



LaRC EXCHANGE

Fiscal Year 2004

Capital Improvements



PRIORITY	ROI Years	Activity	Estimated Cost	Projected Purchase	Description
1	5	Exchange Shop	\$15,000	4th QTR	Shelving/LED/counter.
		LaRC CDC			
5			\$1,500	2nd QTR	Preschool/school age swing
7			\$1,500	4th QTR	Water Play Structure (2)
9			\$1,500	4th QTR	Dramatic Play Structure
		Food & Beverage			
6	3		\$2,500	3rd QTR	Bar Tab system
11			\$1,200	4th QTR	Carpet Afterburner
		Fitness Ctr/Gym			
9			\$7,000	3rd QTR	Treadmills – 2 each
12			\$6,000	4th QTR	Runners Elliptical – 2 each
		TOTAL	\$36,200		
GOOD ROI		Increases Revenues			
INDIRECT ROI		Replacement– to meet customer requirements			



Finance and Accounting Office Overview



- Provides support for financial accounting, payroll, health benefits, insurance and annual audit for Exchange activities.
- Monitors the Centerwide vending operation that provides a wide variety of soft drinks and snacks. Profits from the vending operations helps to support employee morale events and activities to include:
 - Langley Exchange Activities – Subsidies for clubs and leagues.
 - Unit Organizational Morale Funds for summer picnics, holidays and office parties.
 - Centerwide events such as the Holiday Reception, Volunteer Speakers Bureau, and Centerwide social events.
 - As well as support for the Exchange Finance and Accounting Office.
 - LaRC is in compliance with the Randolph Sheppard Act



Larc Exchange Operations

Finance and Accounting Office FY 03 Annual Operating Results



<u>Revenues</u>				Income (Loss) from Operations	\$ 10,410
Sales		\$ -			
Cost of Sales				<u>Other Revenues (Expenses)</u>	
Childcare Fees				Miscellaneous Income	\$ 1,050
Snacks Vending		\$ 13,934		CFC Contributions	
Drinks Vending		\$ 68,836		Interest and Dividends Income	\$ 7,009
				USDA Lunch Program Income	
<u>Gross Profit</u>		\$ 82,770		Realized and Unrealized Gains/(Losses)	\$ (1,125)
<u>Operating Expenses</u>				<u>Total Other Revenues (Expenses)</u>	\$ 6,934
Bonuses		\$ 484			
Directors Fund				<u>Increase (Decrease) in Unrestricted</u>	\$ 17,344
Employee Benefits		\$ 211		<u>Net Assets before Extraordinary Item</u>	
Food Supplies					
Insurance, Liability		\$ 1,732		<u>Extraordinary Item</u>	\$ -
Insurance, Group		\$ 114			
Linen and Laundry				<u>Net Income</u>	\$ 17,344
Miscellaneous		\$ 2,255			
NASA Morale		\$ 3,309		<u>Net Assets</u>	
Office Supplies		\$ 581		Beginning of Year	\$ 205,156
Randolph Sheppard Act		\$ 13,066		End of Year	\$ 222,500
Repairs and Maint.					
Salaries, Wages		\$ 45,414			
Supplies		\$ 263			
Thrift 401K		\$ 3,630			
Training/Tuition		\$ 1,243			
Travel		\$ 58			
Depreciation		\$ -			
<u>Total Operating Expenses</u>		\$ 72,360			



Finance and Accounting Office Vending Operations/Randolph-Sheppard Accomplishments and Future Plans



- A new Soft Drink Concessionaire Agreement was successfully negotiated in February 2003 with increase in commissions to 49% for the Exchange.
- Established a new Organizational Unit Morale Fund subsidy in June 2003.
- Made the final repayments for administration under payments to the State Licensing Agency in the first Qtr of FY03.
- Total paid to State License Agency for Randolph-Sheppard \$13066.34 in FY 03.
- Expansion of Snack Vending will occur in 2nd Qtr FY 04 to include Ice Cream, Frozen Fast Foods, Hot Drinks, and Sundry Items added at 25% commission.



Langley Exchange Operations

Child Development Services

Overview



- The Child Development Center (CDC) located in Bldgs. 1231 & 1231b provides quality childcare for a 124 infants, pre-toddlers, toddlers, pre-school, and kindergarten.
- The Center is accredited by National Association for the Education of Young Children
- Summer Camp available for children Ages 5 to 12
- Two new trailers care for approximately 75 children during June through August.
- The Parent Teachers Organization is a special interest group dedicated to help support the quality of care for the CDC.



Langley Exchange

Child Development Services

Operations

FY 03 Annual Operating Results



<u>Revenues</u>				<u>Total Operating Expenses</u>	\$ 626,373
Sales					
Cost of Sales				Income (Loss) from Operations	\$ (18,995)
Childcare Fees		\$ 607,378			
Snacks vending				<u>Other Revenues (Expenses)</u>	
Drinks vending				Miscellaneous Income	\$ 1,220
				CFC Contributions	\$ 3,763
<u>Gross Profit</u>		\$ 607,378		Interest and Dividends Income	\$ 2,055
				USDA Lunch Program Income	\$ 14,254
<u>Operating Expenses</u>				Realized and Unrealized Gains/(Losses)	
Bonuses					
Directors Fund				<u>Total Other Revenues (Expenses)</u>	\$ 21,292
Employee Benefits		\$ 184			
Food Supplies		\$ 30,562		Increase (Decrease) in Unrestricted	\$ 2,297
Insurance, Liability		\$ 11,021		Net Assets before Extraordinary Item	
Insurance, Group		\$ 17,880			
Linen and Laundry				<u>Extraordinary Item</u>	
Miscellaneous		\$ 1,026			
NASA Morale		\$ 330		<u>Net Income</u>	\$ 2,297
Office Supplies		\$ 2,441			
Randolph Sheppard Act				<u>Net Assets</u>	
Repairs and Maint.				Beginning of Year	\$ 123,064
Salaries, Wages		\$ 548,622		End of Year	\$ 125,361
Supplies		\$ 7,787			
Thrift 401K					
Training/Tuition		\$ 1,099			
Travel		\$ 1,191			
Depreciation		\$ 4,230			



Child Development Services

Accomplishments and Future Plans



- The Summer Camp expanded during FY 03 from a daily capacity of 45 to 75 for children ages 5 to 12.
- Successful special events were held during the year to include week of the young child celebration, graduations, and holiday special activities.
- A USDA Administrative review of the Child Food Program was successfully completed, which helps provide \$14,000 in support for the \$32,700 annual food cost.
- An expansion/construction of a new center building scheduled for FY 04 will provide for a much needed 77 square feet area per child as well as upgraded kitchen operations.
- FY 04 capital investments will bring upgrades in age appropriate playground equipment for infants, toddlers, and preschoolers.



LaRC Exchange Operations

Langley Exchange Activities

Overview



- The follow are clubs and leagues operating with participation figures for each during FY 03:
 - Alumni Assn. 306
 - Aerobics 131
 - Amateur Radio 40
 - Amateur Satellite 110
 - Astronomy/Sky Watchers 19
 - Basketball 150
 - Bicycle Safety 12
 - Bowling 60
 - Bridge Club 25
 - Conservation Club 121
 - Flag Football 110
 - Garden Club 55



LaRC Exchange Operations

Langley Exchange Activities

Overview



■ Clubs and Leagues Continued:

– Golf Assn.	125
– Karate	160
– Memory Mates	30
– Runners Club	420
– Soccer Club	62
– Softball	250
– Tennis	56
– Volleyball	250



LaRC Exchange

Langley Exchange Activities

Operations

FY03 Annual Operating Results



<u>Revenues</u>				Income (Loss) from Operations			\$ (27,659)
Sales		\$	-				
Cost of Sales				<u>Other Revenues (Expenses)</u>			
Childcare Fees				Miscellaneous Income			
Snacks vending				CFC Contributions			
Drinks vending				Interest and Dividends Income		\$	401
				USDA Lunch Program Income			
<u>Gross Profit</u>		\$	-	Realized and Unrealized Gains/(Losses)			
<u>Operating Expenses</u>				<u>Total Other Revenues (Expenses)</u>		\$	401
Bonuses							
Directors Fund				Increase (Decrease) in Unrestricted		\$	(27,258)
Employee Benefits				Net Assets before Extraordinary Item			
Food Supplies							
Insurance, Liability		\$	6,209	<u>Extraordinary Item</u>			
Insurance, Group							
Linen and Laundry				<u>Net Income</u>		\$	(27,258)
Miscellaneous							
NASA Morale				<u>Net Assets</u>			
Office Supplies				Beginning of Year		\$	219,655
Randolph Sheppard Act				End of Year		\$	192,397
Repairs and Maint.							
Salaries, Wages							
Supplies							
Thrift 401K							
Training/Tuition							
Travel							
Depreciation		\$	21,450				
<u>Total Operating Expenses</u>		\$	27,659				



Langley Exchange Activities Accomplishment and Future Plans



- LEA Activities were subsidized during FY 03 with approximately \$3,000.
- Subsidy for LEA is budgeted to increase in FY 04 to approximately \$8,000.
- Expand Fitness Center participation to NASA contractors and students effective April 1, 2004.
- Fitness expansion helps to recoup depreciation and provide for FY 04 capital improvements for equipment.
- COF project for gymnasium renovation to be submitted in FY 04 for project years FY 06/07.



Langley Exchange Operations

Food and Beverage

Overview



- The two cafeterias operated to provide quality full-service food and beverages through breakfast and lunch programs for the LaRC Workforce. The daily menu can be located on the @LaRC Quick Links.
- The Cafeterias offer daily fast food grilled items, soups, sandwiches, and full course meal services.
- The workforce can enjoy these quality products either in the comfort of the dining area or convenient takeout service.
- A wide variety catering menu found on @LaRC, <http://larc-exchange.larc.nasa.gov/LaRCExchange/catering.html> helps to support organizational picnics, business, and social luncheons either onsite or within organizational areas.
- The Afterburner Social Lounge is available to the LaRC workforce Monday-Friday. Centerwide social events promoted and held seasonally to provide social recreational opportunities.



Langley Exchange Operations

Food and Beverage

FY03 Annual Operating Results



<u>Revenues</u>			Income (Loss) from Operations	\$ (14,912)
Sales	\$	828,299		
Cost of Sales	\$	404,746	<u>Other Revenues (Expenses)</u>	
Childcare Fees			Miscellaneous Income	\$ 1,578
Snacks Vending			CFC Contributions	
Drinks Vending			Interest and Dividends Income	\$ 134
			USDA Lunch Program Income	
<u>Gross Profit</u>	\$	423,553	Realized and Unrealized Gains/(Losses)	
<u>Operating Expenses</u>			<u>Total Other Revenues (Expenses)</u>	\$ 1,712
Bonuses				
Directors Fund	\$	1,071	Increase (Decrease) in Unrestricted	\$ (13,200)
Employee Benefits	\$	395	Net Assets before Extraordinary Item	
Food Supplies				
Insurance, Liability	\$	15,031	<u>Extraordinary Item</u>	\$ (1,808)
Insurance, Group	\$	35,821		
Linen and Laundry	\$	4,162	<u>Net Income</u>	\$ (15,008.00)
Miscellaneous	\$	416		
NASA Morale	\$	1,035	<u>Net Assets</u>	
Office Supplies	\$	3,245	Beginning of Year	\$ (41,088)
Randolph Sheppard Act			End of Year	\$ (56,096)
Repairs and Maint.	\$	242		
Salaries, Wages	\$	374,595		
Supplies	\$	2,126		
Thrift 401K				
Training/Tuition				
Travel				
Depreciation	\$	326		
<u>Total Operating Expenses</u>	\$	438,465		



LaRC Exchange Operations Food and Beverage Accomplishment and Future Plans



- The following changes were made during FY 03 to provide for better products and services:
 - Instituted portion control on Salad Bar
 - Implemented more “Grab and Go” items - salads
 - Improved the quality of Pizza
 - Implement Specialty Menu’s – ethnic foods, food wraps
 - Improved competitive purchasing during 2nd quarter
 - Old World Provision - \$.50 cheaper per pound on deli meats
 - Valley Foods – specialty breads, produce
 - Improved Barbeque
 - Increased Beer prices at Afterburners
- The daily and catering menus’ pricing was revamped in 4th quarter to reduce cost of goods (COGs) and position the cafeteria to obtain its budgeted financial goals in FY 04.
- FY 03 - 4th quarter results improved with Net Income (NI) of \$9,383 (4.22%) over previous year NI of \$1,249 (0.53%) for a positive variance of \$8,133.



LaRC Exchange Operations

Food and Beverage

Accomplishment and Future Plans



- Continue to monitor COGs in FY 04 and make incremental adjustments to prices as required to maintain a overall budgeted COGs.
- Aerodyner closes in May 04 and will be converted to Self Service vending and dining area due to continued losses over the last several years.
- Completed service area upgrade and decor improvements in FY 04: lighting, interior wall and floor resurfacing, new cashier configuration, new signage as well as other merchandising and presentations upgrades. \$500 K
- Invest in Main Cafeteria and Afterburner Lounge as identified in FY 04 Capital Improvements Plan.



LaRC Exchange Operations

Exchange Shop

Overview



- Merchandise items for sale during FY03 included:
 - Men, women and children's polo shirts, T-shirts, sweat shirts, jackets, caps, etc.
 - Pen/pencil sets and clocks
 - Greeting and business cards; invitations and social announcements
 - Gift bags, phone cards, balloons
 - Mission patches
 - Sundry Items: toiletries, cold and sinus remedies, batteries, disposable cameras, postage stamps
 - Franklin Covey Products and palm pilots
 - Customized products for groups/teams
- Film, mobile phone, jewelry, floral, DVD rental, UPS, book signing and engraving services
- Tickets: AMC and Regal Movies, Busch Gardens/Water Country, Colonial Williamsburg, Disney, Jamestown/Yorktown, Kings Dominion, Luray Caverns, Nautilus, Six Flags, Ship Cruises, Virginia Air and Space Center, Marine Science Museum



LaRC Exchange Operations

Exchange Shop

FY 03 Annual Operating Results



<u>Revenues</u>				Income (loss) from Operations		\$ (9,726)
Sales		\$ 312,192				
Cost of Sales		\$ 241,222		<u>Other Revenues (Expenses)</u>		
Childcare Fees				Miscellaneous Income		\$ 1,976
Snacks Vending				CFC Contributions		
Drinks Vending				Interest and Dividends Income		\$ 392
				USDA Lunch Program Income		
<u>Gross Profit</u>		\$ 70,970		Realized and Unrealized Gains/(losses)		\$ 473
<u>Operating Expenses</u>				<u>Total Other Revenues (Expenses)</u>		\$ 2,841
Bonuses						
Directors Fund				<u>Increase (Decrease) in Unrestricted</u>		\$ (6,885)
Employee Benefits		\$ 1,674		<u>Net Assets before Extraordinary Item</u>		
Food Supplies						
Insurance, Liability		\$ 3,307		<u>Extraordinary Item</u>		
Insurance, Group		\$ 7,729				
Linen and Laundry				<u>Net Income</u>		\$ (6,885)
Miscellaneous		\$ 1,544				
NASA Morale		\$ 159		<u>Net Assets</u>		
Office Supplies		\$ 6,328		Beginning of Year		\$ 79,982
Randolph Sheppard Act				End of Year		\$ 73,097
Repairs and Maint.						
Salaries, Wages		\$ 57,337				
Supplies		\$ 568				
Thrift 401K						
Training/Tuition		\$ 464				
Travel		\$ 1,586				
Depreciation						
<u>Total Operating Expenses</u>		\$ 80,696				



LaRC Exchange Operations

Exchange Shop

Accomplishment and Future Plans



- A Web site www.shoppingNASA.com was developed during FY 03 to help increase merchandise sales.
- DVD rental service was added in the 2nd Quarter increasing revenue by \$3,004.
- Film developing was revitalized during FY 03 increasing revenues by \$5,496.
- A Get Well Plan was developed during 3rd quarter to improve the net income in the future.
- Expansion of the Exchange Shop is programed in FY 04 to increase customer browsing area and expand availability of merchandize. (See Capital Improvement Plan.)